

## Message Text

SECRET

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17

ACTION EB-04

INFO OCT-01 SS-04 ISO-00 EUR-03 TRSE-00 CEA-01 FRB-03

NSC-04 NSCE-00 INR-01 CIAE-00 SSO-00 INRE-00 /021 W

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O 031158Z DEC 76

FM AMEMBASSY LISBON

TO SECSTATE WASHDC IMMEDIATE 9395

S E C R E T LISBON 8335

LIMDIS

GREENBACK

DEPT. PASS TREASURY FOR UNDER SECRETARY YEO AND WIDMAN

E.O. 11652: GDS

TAGS: EAID, ECON, PO

SUBJ: FINANCIAL ASSISTANCE PROGRAM FOR PORTUGAL

REF: (A) LISBON 8306, (B) LISBON 8308

1. BANK OF PORTUGAL GOVERNOR SILVA LOPES CALLED ECON COUNSELOR LATE THURSDAY, DECEMBER 2 TO STATE THAT HE AND FINANCE MINISTER HAD DISCUSSED CONVERSATIONS REPORTED REF A WITH PRIME MINISTER SOARES AND PRESIDENT EANES. SILVA LOPES REPORTED THAT PORTUGUESE DELEGATION WISHES TO TRAVEL TO WASHINGTON AS SOON AS POSSIBLE. IT IS WAITING ONLY FOR ADVICE THAT USG IS PREPARED TO MEET WITH GOP DELEGATION.

2. SILVA LOPES STRONGLY REITERATED GOP PREFERENCE THAT PROPOSED \$300 MILLION LOAN BE DIVIDED INTO 50 PERCENT GOLD AND 50 PERCENT FOREIGN EXCHANGE. THIS FORMULA IS CONSIDERED NECESSARY IN ORDER TO AVOID NEGATING GOP EFFORTS TO CONTRACT PRIVATE BANK CREDITS. PRESIDENT EANES AND PRIME MINISTER SOARES, HE STATED, FIRMLY BELIEVE THAT LOAN MUST PROVIDE SIGNIFICANT AMOUNT OF LIQUIDITY. GOP, IN EFFECT, FEELS IT CANNOT AVOID TELLING PRIVATE BANKERS

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THE DETAILS OF ANY USG LOAN. IT DID HOPE, HOWEVER,

THAT SHOULD LOAN BE PROVIDED IN BOTH FOREIGN EXCHANGE  
AND GOLD, IT WOULD BE ABLE TO UTILIZE EXCHANGE PORTION,  
OBTAIN A PRIVATE SECTOR LOAN, AND NEVER HAVE TO  
TOUCH THE GOLD PORTION. UNLESS IT ACHIEVES AN ARRANGE-  
MENT SUCH AS THIS, GOP FEELS IT CANNOT ADEQUATELY  
RESPOND TO PRIVATE BANK QUERIES AS TO WHY PORTUGAL  
NEEDS PRIVATE SECTOR FOREIGN CREDITS IF IT IS  
OBTAINING USG FINANCING.  
CARLUCCI

SECRET

NNN

## Message Attributes

**Automatic Decaptioning:** Z  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** DIPLOMATIC DISCUSSIONS, VISITS, FOREIGN ASSISTANCE, FINANCIAL AGREEMENTS, LOANS, MEETING REPORTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 03 DEC 1976  
**Decaption Date:** 28 MAY 2004  
**Decaption Note:** 25 YEAR REVIEW  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** CunninFX  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976LISBON08335  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** D760447-1106  
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**Office:** ACTION EB  
**Original Classification:** SECRET  
**Original Handling Restrictions:** LIMDIS  
**Original Previous Classification:** n/a  
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**Previous Handling Restrictions:** LIMDIS  
**Reference:** 76 LISBON 8306, 76 LISBON 8308  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** CunninFX  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 04 MAY 2004  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <04 MAY 2004 by BoyleJA>; APPROVED <30 AUG 2004 by CunninFX>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
04 MAY 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** FINANCIAL ASSISTANCE PROGRAM FOR PORTUGAL  
**TAGS:** EAID, ECON, PO, US  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006